

OPERATIONS GROUP FILE

BBC

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C O N F I D E N T I A L 261544Z JUL 79 STAFF

CITE FBIS/LONDON 16279

TO: FBIS.

REFS: A. WA 568
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1. SITUATION REGARDING BBC MONITORING SERVICE'S FINANCIAL PROSPECTS REMARKABLY MURKY AT PRESENT. BACKGROUND IS THAT GOVERNMENT HAS PROPOSED 4000 MILLION POUND ACROSS-THE-BOARD REDUCTION IN ALL PUBLIC SERVICES AS PART OF NEW CONSERVATIVE ECONOMIC POLICY. THEY HAVE RECOMMENDED CUTS OF FOUR MILLION POUNDS IN BBC, TO BE TAKEN BY EXTERNAL SERVICES. GOVERNMENT HAS NOT YET STIPULATED WHERE CUTS ARE TO BE TAKEN, BUT WILL HAVE TO DO SO SINCE THEY ASSIGN AMOUNT OF FOREIGN LANGUAGE BROADCASTING TO BE UNDERTAKEN BY BBC. THUS, IT IS NOT YET KNOWN WHETHER CUT IN EXTERNAL SERVICES BUDGET ALSO MEANS CUT IN MONITORING SERVICE BUT, SINCE MONITORING SERVICE ACCOUNTS FOR ABOUT 10% OF EXTERNAL SERVICES BUDGET, A REDUCTION OF AS MUCH AS FOUR HUNDRED THOUSAND POUNDS FOR MONITORING SERVICE IS NOT BEING RULED OUT.

2. PROPOSED CUTS HAVE ALREADY STIMULATED A DEGREE OF PUBLIC AGITATION, AS NATIONAL PRIDE IS INVOLVED AND A REDUCTION ON SCALE PROPOSED WOULD DROP ENGLAND BEHIND EGYPT AND NORTH KOREA IN NUMBER OF HOURS OF FOREIGN LANGUAGE BROADCASTING. HOWEVER, SINCE ALL GOVERNMENT DEPARTMENTS HAVE BEGUN PROPAGANDIZING FOR THEIR FAVORITE PROJECTS, GOVERNMENT MAY HAVE TO TAKE A FAIRLY HARD LINE AGAINST EXCEPTIONS.

3. AS LUCK WOULD HAVE IT, PROPOSED REDUCTIONS COME AT A VERY BAD TIME FOR BBC WHICH IS DEEP IN POLITICAL DOGHOUSE AS A RESULT OF TV INTERVIEW, TWO WEEKS AGO, WITH MASKED IRA TERRORIST WHO CLAIMED RESPONSIBILITY FOR BOMB EXPLOSION IN HOUSE OF COMMONS PARKING LOT LAST MARCH WHEN CONSERVATIVE MP WAS KILLED. TERRORIST IS STILL AT LARGE. BBC APPARENTLY MADE SECRET ARRANGEMENTS AND GAVE GUARANTEES IN ORDER TO FILM INTERVIEW AND

CONFIDENTIAL

CONFIDENTIAL

PAGE 2 FBIS/LONDON 16279 C O N F I D E N T I A L
 DID NOT NOTIFY POLICE. RESULT HAS BEEN CONSIDERABLE PUBLIC INDIGNATION TO WHICH BBC HAS REPLIED WITH FAMILIAR JOURNALISTIC FORMULAS ABOUT "PUBLIC'S RIGHT TO KNOW" AND TELLING BOTH SIDES OF A STORY. THIS SEEMS NOT TO HAVE GONE DOWN WELL IN COMMONS. TO MAKE MATTERS WORSE, DEAD MP WAS CLOSE PERSONAL FRIEND OF MRS. THATCHER. BBC DIRECTOR GENERAL REPORTEDLY WAS CALLED TO WHITEHALL AND TOLD THAT ON HIS RETIREMENT (WHICH IS EXPECTED FAIRLY SOON) A GOVERNMENT PARTY LOYALIST WOULD BE PUT IN CHARGE TO MAKE SURE BBC STAYS IN LINE.

4. ON PLUS SIDE, LORD CARRINGTON IS KNOWN TO HAVE GOOD WILL TOWARDS MONITORING SERVICE AND EXCHANGE OF LETTERS WITH SECRETARY VANCE OVER MONITORING SERVICE'S 40TH ANNIVERSARY IS MOST TIMELY. ATTENTION CALLED TO MONITORING SERVICE BY FORTHCOMING ANNIVERSARY PUBLICATION AND BY LARGE RECEPTION/PARTY PLANNED FOR SEPTEMBER, TO WHICH CARRINGTON AND OTHER SENIOR OFFICIALS WILL BE INVITED, SHOULD ALSO PROVE OPPORTUNE.

5. JOHN RAE HAS JUST RETURNED FROM LEAVE AND WILL NOT BEGIN POUNDING THE HUSTINGS UNTIL FRIDAY. UNFORTUNATELY, HE WILL BE DEALING WITH A LOT OF NEW PEOPLE SO JOB OF EDUCATING THEM MAY BE AT PRIMARY LEVEL, THOUGH THEY SHOULD BE AWARE AT LEAST THAT ANGLO-AMERICAN RELATIONSHIP COULD BE AFFECTED. HEAD OF EXTERNAL SERVICES HAS GONE ON THREE WEEKS LEAVE, SO IT IS UNLIKELY THAT ANY VERY CLEAR PROSPECTS ON BUDGET REDUCTIONS WILL EMERGE BEFORE MID-AUGUST.

6. RAE BELIEVES THAT HE MAY HAVE TO CALL ON WASHINGTON FOR HELP IF SITUATION BECOMES SUFFICIENTLY SERIOUS. HE THINKS THAT TIMING COULD BE ALL IMPORTANT AND WOULD LIKE HEADQUARTERS TO PUT ITSELF IN A POSITION TO ACT RAPIDLY IF HE SENDS OUT A CALL FOR HELP. [REDACTED] FULLY BRIEFED ON SITUATION AND ON ACTION TAKEN BY DCI SEVERAL YEARS BACK TO STOP EARLIER THREATENED CUT. [REDACTED] ASSIST THROUGH CONTACTS HERE AND HAS ALREADY MENTIONED SUBJECT TO AMBASSADOR WHO IS VERY SUPPORTIVE OF BBC'S OVERSEAS ACTIVITIES.

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7. RAE ASKED IF IT ANY LONGER MADE SENSE FOR HIM TO PLAN ON INDIA VISIT IN LIGHT OF POSSIBLE CUTBACKS. I SAID I THOUGHT IT WAS ESPECIALLY IMPORTANT HE PROCEED WITH VISIT SINCE ANY

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PAGE 3 FEIS/LONDON 16279 C O N F I D E N T I A L
REPRESENTATION BY U.S. WOULD WANT TO STRESS POINT THAT RELIANCE
ON EBC MONITORING WAS ON INCREASE, BOTH AS A RESULT OF INCREASING
NUMBER OF TROUBLESPOTS POSING INTERNATIONAL SECURITY THREATS
AND FBIS' INABILITY TO GAIN ACCESS TO AREAS WHERE ESTABLISHING
NEW MONITORING CAPABILITIES IS OF IMPORTANCE TO U.K. AS WELL AS
U.S. GOVERNMENTS.

9. [] 26 JUL 85.
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